

Message Text

LIMITED OFFICIAL USE

PAGE 01 MUSCAT 00232 231028Z

15

ACTION OPIC-06

INFO OCT-01 NEA-09 ISO-00 EB-07 COME-00 TRSE-00 OMB-01

AID-05 L-02 CIAE-00 INR-07 NSAE-00 FRB-03 XMB-02 /043 W

----- 014366

P R 231002Z FEB 75

FM AMEMBASSY MUSCAT

TO AMEMBASSY CAIRO PRIORITY

INFO SECSTATE WASHDC 903

LIMITED OFFICIAL USE MUSCAT 232

E.O. 11652: N/A

TAGS: EINV, PFOR, MU

SUBJECT: DRAFT INVESTMENT INCENTIVE AGREEMENT

REF: MUSCAT 224 (NOTAL)

1. PLS PASS FOLLOWING TO GERALD P. MORGAN, OPIC VP:
OMAN MFA PROPOSES FOLLOWING CHANGES: (INFORMAL TRANSLATION
PROVIDED BY FONMIN):

A. PARA 3. QTE IF THE GOVERNMENT OF THE UNITED STATES OF AMERICA MAKES PAYMENT TO THE INVESTOR, UNDER COVERAGE ISSUED PURSUANT TO THIS AGREEMENT, THE HOST GOVERNMENT SHALL, WHEN THE INVESTOR HAS COMPLETED ITS FUNCTION, SUBJECT TO THE PROVISIONS OF PARAGRAPH 4, RECOGNIZE THE TRANSFER TO THE ISSUING GOVERNMENT OF ANY CURRENCY, CREDITS, ASSETS, OR AMERICAN CAPITAL INVESTED IN THE COMPLETED PROJECT, ON ACCOUNT OF WHICH PAYMENT AND SUCH COVERAGE IS MADE TO THE ISSUING GOVERNMENT, AS WELL AS TRANSFER TO THE ISSUING GOVERNMENT ANY RIGHT, TITLE, CLAIM, PRIVILEGE, OR CAUSE OF ACTION EXISTING OR WHICH MAY ARISE IN CONNECTION THEREWITH. THE ISSUING GOVERNMENT SHALL ASSERT NO GREATER RIGHTS THAN THOSE OF THE TRANSFERRING INVESTOR WITH RESPECT TO ANY INTERESTS TRANSFERRED OR SUCCEEDED TO UNDER THIS PARAGRA P. UNQTE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MUSCAT 00232 231028Z

B. PARA 5. QTE. THE INVESTOR SHALL REINVEST A MINIMUM

OF 50 PERCENT OF THE PROFIT IT MAKES FROM THE PROJECTS
IN THE HOST COUNTRY, IN ACCORDANCE WITH THE PROVISIONS OF
ITEM 2 OF THE AGREEMENT. UNQTE.

2. EMBASSY COMMENT: CHANGE TO PARA 3 IS MINIMAL BUT MAY BE
DIFFICULT TO INCORPORATE INTO AGREEMENT. BELIEVE INTENT OF
PHRASE QTE WHEN THE INVESTOR HAS COMPLETED ITS FUNCTION
UNQTE IS TO UNDERScore SATISFACTORY PERFORMANCE OF CONTRACT
RESPONSIBILITIES AND IS THUS REDUNDANT WITH IMPLICATION OF
TERMS RIGHTS AND CLAIMS ALREADY INCLUDED. SUGGEST, HOWEVER,
WE CONSIDER SOME WAY TO INCORPORATE THIS CONCEPT OVERTLY TO
SATISFY OMANIS. SUGGESTED CHANGE PARA 5 INAPPROPRIATE AND
CONSTITUTES ATTEMPT TO INCLUDE IN AGREEMENT PROVISION
WHICH ISN'T REQUIRED BY OMANI FOREIGN INVESTMENT LAW, AND
THEREFORE WOULD DISCRIMINATE AGAINST INVESTORS ENTERING UNDER
AGREEMENT. FORTUNATELY MFA HAS INDICATED FLEXIBILITY THIS
ISSUE; WE SUGGEST WE ADVISE OMANIS IT UNACCEPTABLE.

3. AT TIME ABOVE CHANGES TURNED OVER, FONMIN DIRECTOR OF
LEGAL AFFAIRS (DAHAB) OFFERED NO FURTHER EXPLANATION OF
REASONING BEHIND AMENDMENTS. WE ARE NOT SURE THESE PRO-
POSALS HAVE BEEN CLEARED THROUGH OMANGOV. IN VIEW OF VAGUE-
NESS ON THIS POINT, WE DOUBT THAT EARLY RETURN VISIT BY MORGAN
JUSTIFIED. RATHER, WE SUGGEST EMBASSY ATTEMPT TO MOVE
AGREEMENT CLOSER TO SIGNATURE, THEN REVIEW NEED OR USEFUL-
NESS OF SUCH A VISIT.
WOLLE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, NEGOTIATIONS, INVESTMENT GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchant0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MUSCAT00232
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750064-0156
From: MUSCAT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750220/aaaaasci.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 MUSCAT 224
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 04 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 AUG 2003 by KelleyW0>; APPROVED <03 DEC 2003 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DRAFT INVESTMENT INCENTIVE AGREEMENT
TAGS: EINV, PFOR, MU, OPIC
To: CAIRO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006